



# **2009-11 Higher Education Operating and Capital Budget Recommendations**

11/21/08

# Fiscal Committee Recommendations

1. Fully fund the operating budget maintenance level to help sustain the quality of higher education.\*
2. Fund institutional and agency level operating policy requests to initiate steps toward the goals of the Strategic Master Plan.
3. Set funding by category on 2009-11 capital budget requests that have been scored by the Office of Financial Management.

\*Maintenance level is likely to be substantially reduced in 2009 supplemental budget.

# Operating Funding Recommendations

# Fiscal Committee Operating Funding Recommendations

## Three Levels:

I. Sustaining Quality and Competitiveness

II. Meeting Critical Economic Safety-Net Needs

III. High Yield Strategic Master Plan Investments

# I. Sustaining Quality and Competitiveness

Fully Funded Higher Education Maintenance Level

**\$4,023,666,918**

## II. Meeting Critical Economic Safety-Net Needs

Limited Community and Technical College Enrollments

State Need Grant: Expand Eligibility to 75% MFI

**\$36,786,564**

# III. High Yield Strategic Master Plan Investments

Statewide Academic Planning System

Make College Affordable and Easy to Access

Raise the Level of Education Attainment

*Student Success and Retention*

*Create Higher Expectations for K-12 Students*

*High Demand Programs*

Promote Economic Growth and Innovation

**\$102,317,034**

# Operating Recommendation Summary

I. Sustaining Quality and Competitiveness

**\$4,023,666,918**

II. Meeting Critical Economic Safety Net Needs

**\$36,786,564**

III. High Yield Strategic Master Plan Investments

**\$102,317,034**

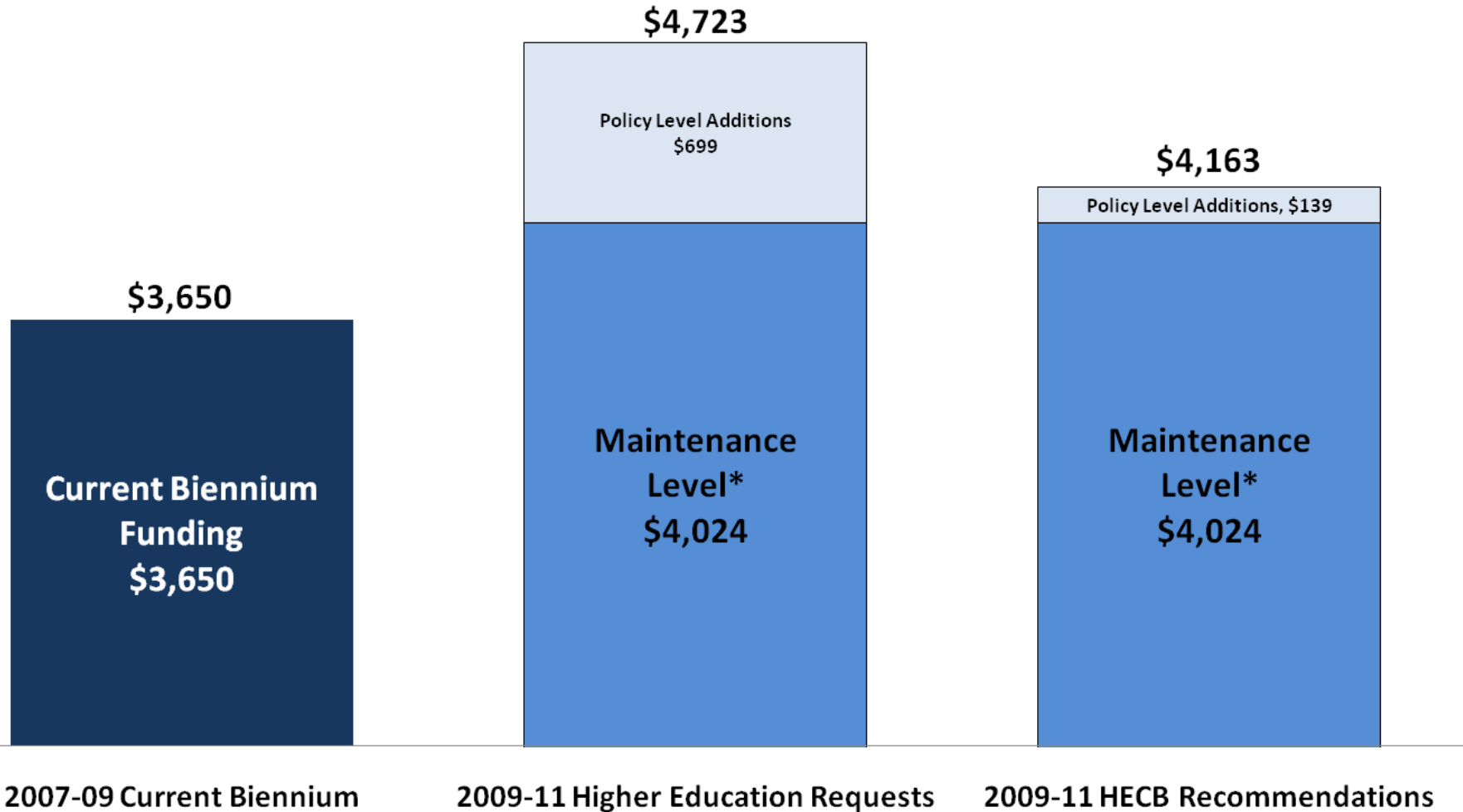
Total Operating Recommendation:

**\$4,162,770,516**



**2009-11 Higher Education Operating Budget Requests and HECB Recommendations  
as Compared to Current Biennium Appropriations  
Near General Fund- State, Dollars in Millions**

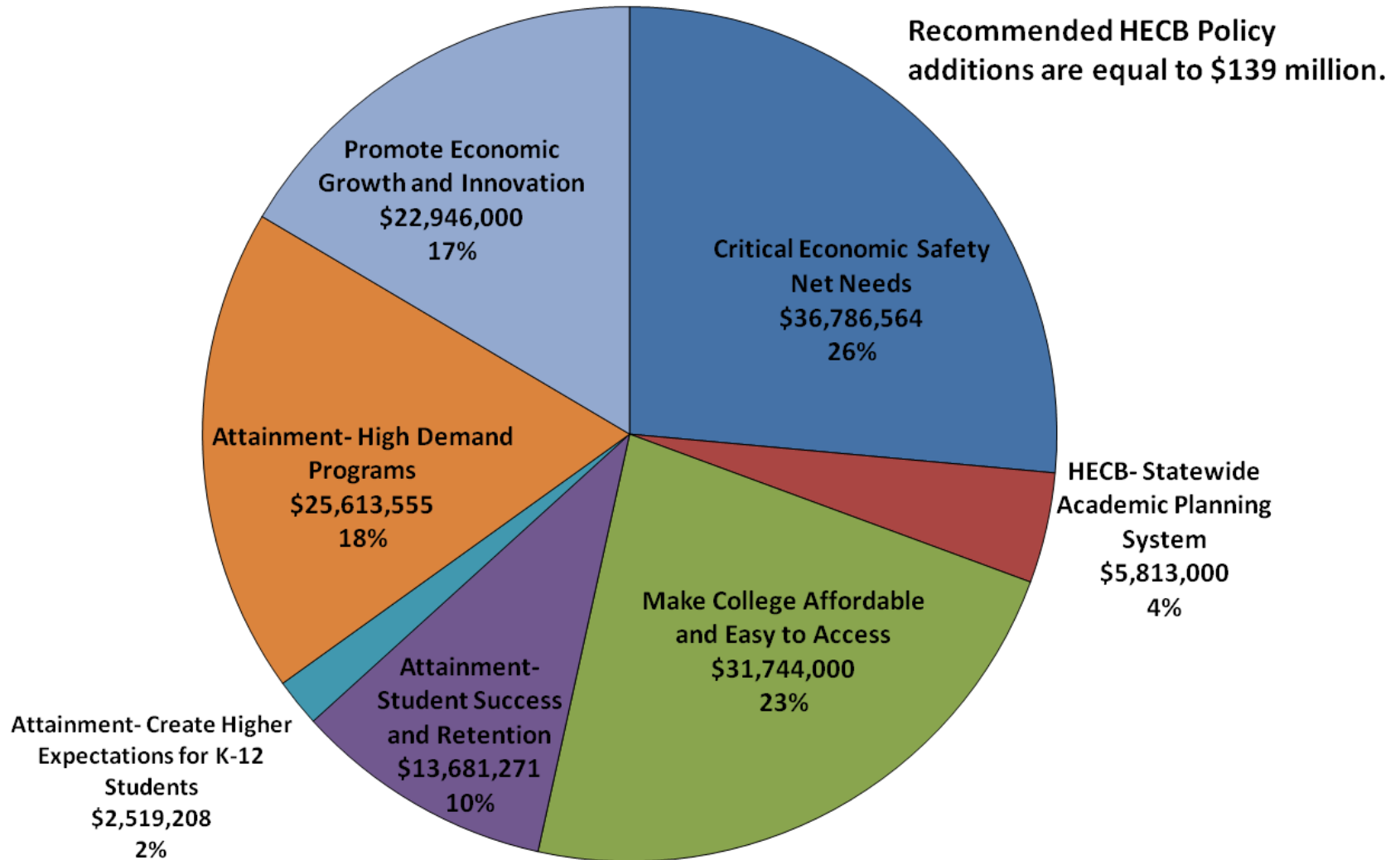
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\*Maintenance level likely to be substantially reduced in 2009 supplemental budget.

# 2009-11 HECB Operating Budget Policy Addition Recommendations

By Category, Near General Fund- State



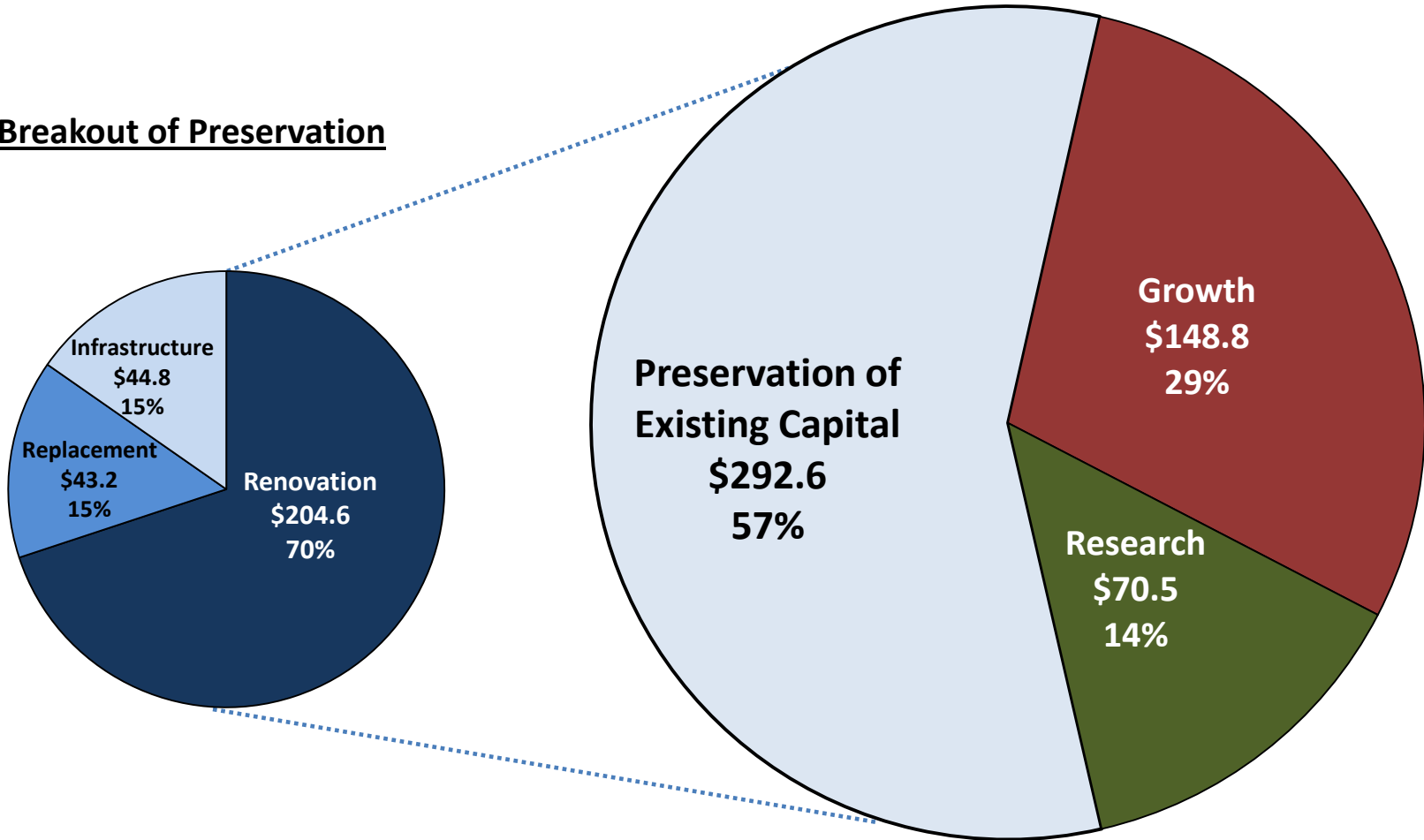
# Capital Funding Recommendations

# 2009-11 Preliminary HECB Capital Funding Recommendations

State Bond Funding of Major Projects, Baccalaureate Institutions by Category

Dollars in Millions

## Breakout of Preservation



**\$512 million of capital funding is recommended.  
This is 85% of baccalaureate institution requests.**

# 2009-11 Preliminary HECB Capital Funding Recommendations

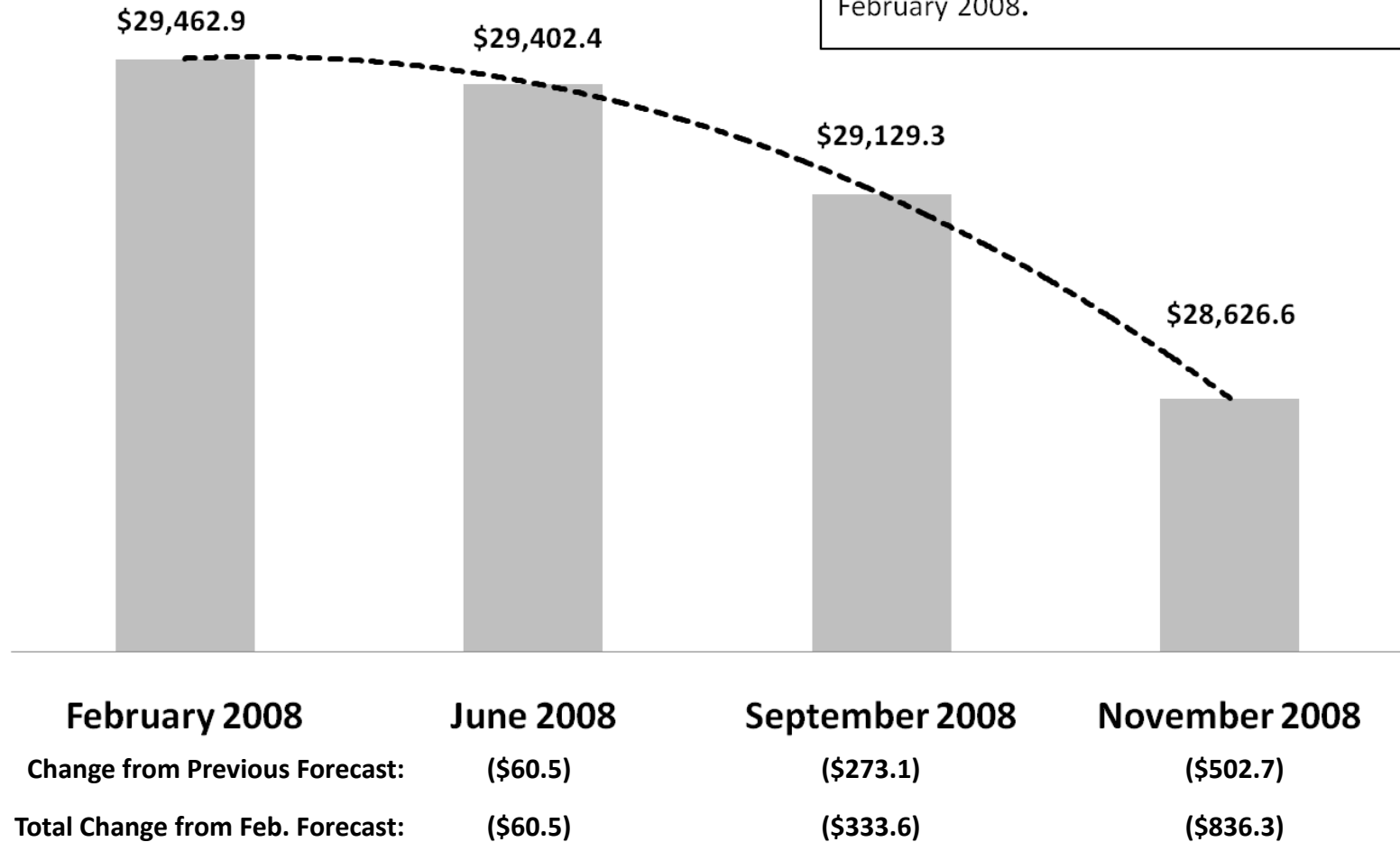
## State Bonds by Category

	<u>Institution Requested</u>	<u>HECB Recommended</u>	<u>Category % of Total Funding Recommended</u>
<b>Preservation of Existing Capital</b>	<b>\$345,158,000</b>	<b>\$292,633,000</b>	<b>57%</b>
<i>Renovation</i>	<i>\$249,552,000</i>	<i>\$204,627,000</i>	<i>40%</i>
<i>Replacement</i>	<i>\$43,200,000</i>	<i>\$43,200,000</i>	<i>8%</i>
<i>Infrastructure</i>	<i>\$52,406,000</i>	<i>\$44,806,000</i>	<i>9%</i>
<b>Growth</b>	<b>\$170,026,000</b>	<b>\$148,776,000</b>	<b>29%</b>
<u><b>Research</b></u>	<u><b>\$84,850,000</b></u>	<u><b>\$70,450,000</b></u>	<u><b>14%</b></u>
<b>HECB Baccalaureate Recommendation Total:</b>	<b>\$600,034,000</b>	<b>\$511,859,000</b>	<b>100%</b>
<i>*Minor Works funding is not included in baccalaureate capital recommendations.</i>			
<b>Community and Technical Colleges</b>	<b>\$549,570,451</b>	<b>\$509,918,776</b>	
<b>Total HECB Capital Funding Recommendation</b>	<b>\$1,149,604,451</b>	<b>\$1,021,777,776</b>	

# November Revenue Forecast Update

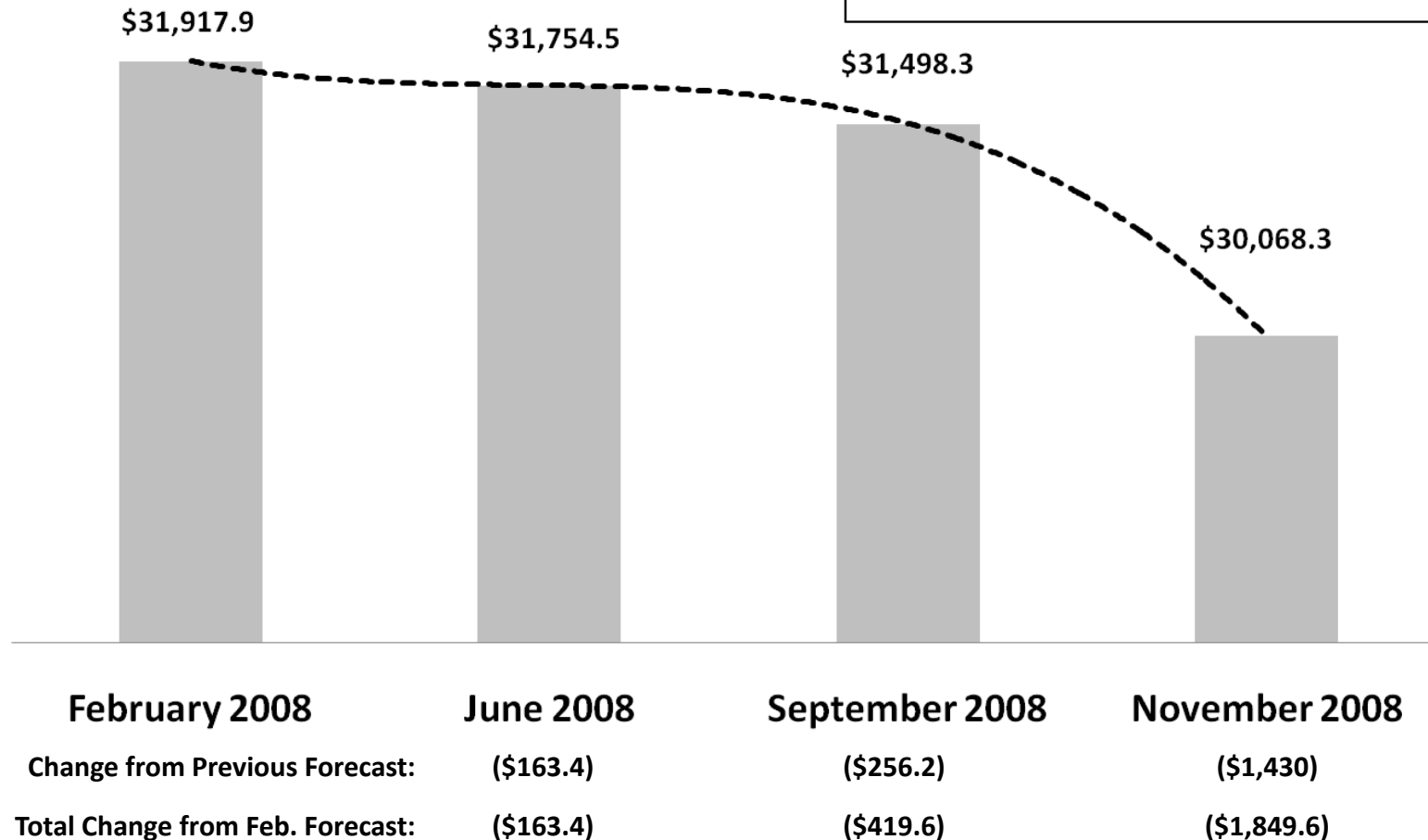
**Current Biennium**  
**2007-09 General Fund State Revenue, by Forecast Date**  
**Dollars in Millions**

Revenue forecasts for the 2007-09 Biennium have declined by **\$836 million** from February 2008.



**Next Biennium**  
**2009-11 General Fund State Revenue, by Forecast Date**  
**Dollars in Millions**

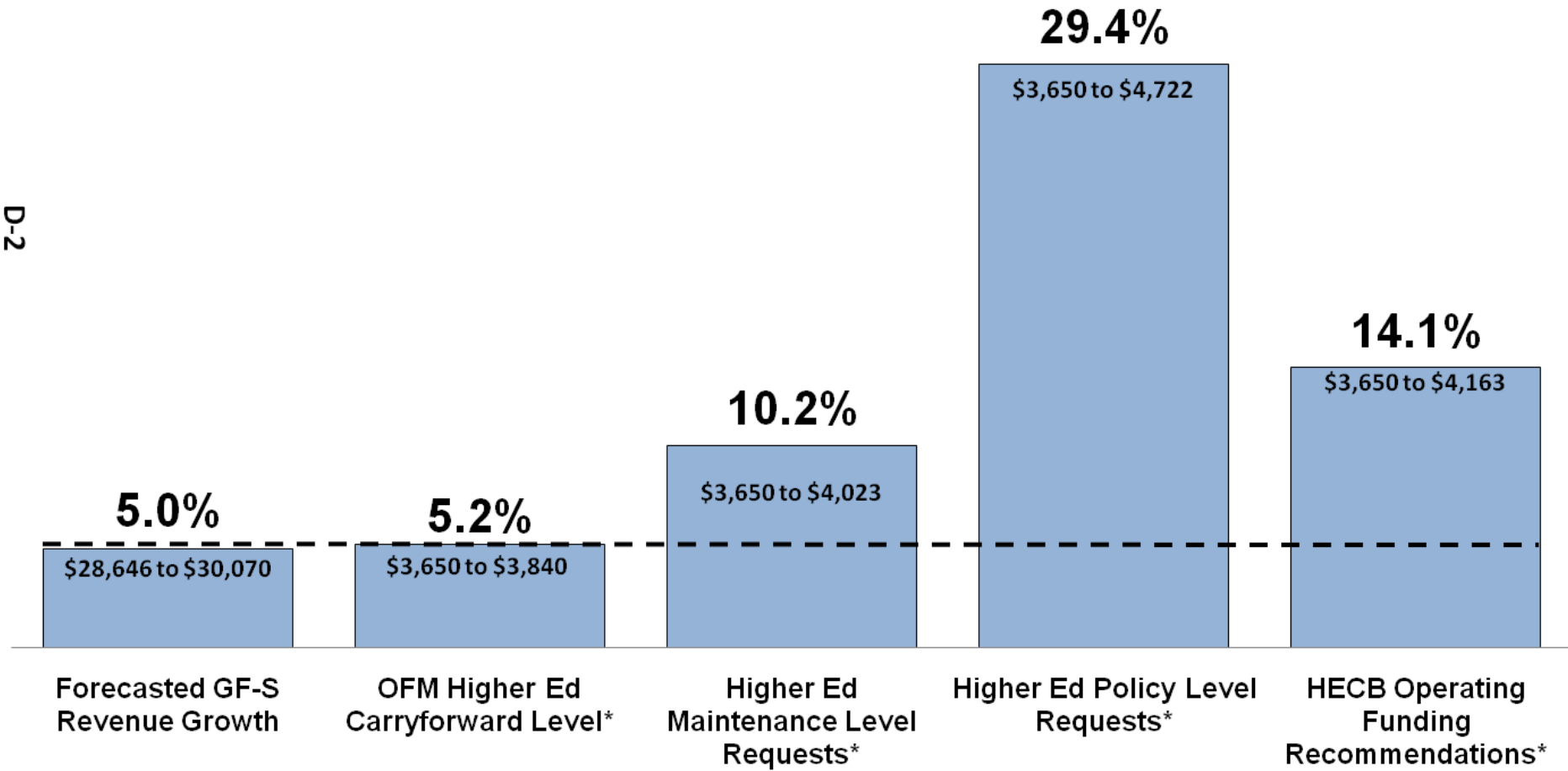
Revenue forecasts for the 2009-11 Biennium have declined by **\$1.85 billion** from February 2008.





**2009-11 Higher Education Operating Budget Increase from Current Biennium  
as Compared to 2007-09 to 2009-11 General Fund State Forecast Revenue Growth  
Dollars in Millions, November 2008 Revenue Forecast**

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\*Maintenance level likely to be substantially reduced in 2009 supplemental budget.